

Bankruptcy House Action Statement
Congressman John Conyers, Jr.
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By taking up this special interest bankruptcy bill, the Majority continues their assault on the American consumer. Two months ago, we passed into law the special interest class action bill, which literally slams the court house door on millions of individuals harmed by fraud, deception, civil rights and labor abuses. Tomorrow, we take up the bankruptcy bill, which massively tilts the playing field in favor of credit card companies and against ordinary workers and families. Even worse, we will be doing so under closed rule that denies Democrats the opportunity to offer amendments to improve the bill.

Last year nearly one and one-half million middle-class individuals filed for bankruptcy. Their average income was less than \$25,000, and the principal causes for their filings were layoffs, health problems and divorce. In my judgment, it is a grave mistake to punish these individuals while rewarding credit card companies and business lobbyists at a time when corporate greed has already destroyed the lives of millions of American workers.

If you read the fine print, you will see that far from being a compromise, this bill gives creditors massive new rights to bring threatening motions against low income debtors and makes it next to impossible for people below the poverty line to keep their house or their car in bankruptcy.

Rather than protecting alimony and child support, as the bills proponents claim, it creates major new categories of non dischargeable debt that compete directly against the collection of child support and alimony payments, and allows landlords to evict battered women without bankruptcy court approval, even if the eviction poses a threat to the woman's physical well being.

The bill does absolutely nothing to discourage abusive under-age lending, nothing to discourage reckless lending to the developmentally disabled, nothing to regulate the practice of so-called 'subprime' lending to persons with no means or little ability to repay their debts, and nothing to crack down on unscrupulous pay-day lenders that prey on members of the armed forces.

Every member of the House should consider the real life consequences of this legislation on ordinary, hard working Americans, and reject this special interest legislation.